THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P.CHIDAMBARAM) : (a) Yes, Sir.

(b) to (d). On September 2, 1991 Reserve Bank of India (RBI) had advised all Banks that they should pass on the incidence of the interest tax, 'pro-rata' to their borrowers. The Banks were also advised by the RBI to follow a uniform practice in this regard in consultation with the Indian Banks' Association(IBA). The IBA, by a circular dated October 9, 1991 advised their member Banks that the rates of interest might be loaded with the interest tax of 3% and rounded up to the higher 0.25%. The rounding off of interest inclusive of tax to the higher 0.25% is being done by Banks in accordance with the uniform practice worked out by the IBA.

Loans from International Financial Institutions

*253. SHRI PRABHU DAYAL KATHERIA
SHRI VIJAY GOEL :

Will the Minister of FINANCE be pleased to state :

(a) whether the Union Government propose to allow the State Governments to obtain loans/assistance directly from the international financial institutions;

(b) if so, the details thereof;

(c) whether the Asian Development Bank has now initiated the process of direct lending to the individual States; and

(d) if so, the reaction of the Union Government thereto?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (d). As per the Constitution of India foreign loans from International Financial Institutions can only be contracted by the Central Government. The question of allowing State Governments to obtain loans/assistance directly from the international financial institutions, therefore, does not arise.

Natural Rubber

*254. SHRI N. DENNIS : Will the Minister of COMMERCE be pleased to state :

(a) the total quantity of natural rubber imported during each of the last three years, and

(b) the details of the policy adopted by the Government for such import?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) Total quantity of natural rubber imported during the last three years inclusive of imports against Advance Licences is as follows:

Year	Quantity (in tonnes)
1993-94	21384
1994-95	8531
1995-96	53225 (Provisional)

(b) Decision to import of natural rubber is taken by the Government after considering the gap between demand and domestic availability, international and domestic prices and the interests of growers and industrial consumers of the commodity.

[Translation]

World Bank Loan at Concessional Rate

*255. SHRI CHUN CHUN PRASAD YADAV : Will the Minister of FINANCE be pleased to state :

(a) whether the World Bank has expressed its inability for providing loans at concessional rates to the Union Government; and

(b) if so, the details thereof?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) No, Sir.

(b) Does not arise.

Restructuring of FIPB

*256. SHRI SARAT PATTANAYAK : Will the Minister of INDUSTRY be pleased to state :

(a) whether the Government propose to restructure Foreign Investment Promotion Board; and

(b) if so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b) Yes, Sir. The Government have, with effect from 11th July, 1996 reconstituted the Foreign Investment Promotion Board (FIPB) to invite and facilitate investment in India by international companies in projects which are considered to be of benefit to the Indian economy. There will now be only one Secretariat to FIPB to consider Foreign Investment Proposals to be located in the Department of Industrial Policy & Promotion, which would receive and process the application for presenting before the FIPB. The FIPB recommendations in respect of project proposals each involving a total investment of Rs. 600 crores or less would be considered and approved by the Industry Minister. For cases involving investment of above Rs. 600 crores, FIPB's recommendations would be submitted to the Cabinet Committee on Foreign Investment (CCFI) for decision. Under the revised procedures, the objective is to reduce delays and provide greater transparency in the approval process.